Request for raising external commercial borrowing by All India Scheduled Caste Development Co-operative Society, New Delhi

2458. SHRI H. HANUMANTHAPPA: Will the Minister of FINANCE be pleased to state:

(a) whether any request for raising external commercial borrowing has been received from the All India Scheduled Caste Development Co-operative Society, New Delhi; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b) Yes, Sir. The request is towards raising external commercial borrowing from a commercial bank in Netherlands, against the guarantee of a public sector bank in India, for financing a portion of the cost of a fruits & vegetable project. The society has been requested to arrange for appraisal of the project by a development financial institution in India and also obtain commitments in writing from a nationalised bank in India to provide guarantee to the overseas lender. The matter would be processed further, when these requirements are met by the said society.

Opening of accounts in foreign banks by Peerless General Finance and Investment Company

2459. SHRIMATI BIJOYA CHAKRAVARTY: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that accounts have been opened in foreign banks by the Chairman-cum-Managing Director of the Peerless General Finance and Investment Company and also by one of the leading Directors of the Company in their respective names and in the names of their family members;

(b) if so, whether opening of these accounts have been permitted by the Reserve Bank of India;

(c) if so, the circumstances in which such permission was accorded by the Reserve Bank; and

(d) if the answer to part (b) above be in the negative, what steps Government propose to take in the matter?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (d) Enquiries initiated against M|s. Peerless General Finance and Insurance Co. Ltd., Calcutta on the basis of searches conducted by the Department of Income Tax in 1987 have not revealed maintenance of foreign account by Chairman-cum-Managing Director and other Directors of the Company.

Bilateral Areement with France

2460. SHRI K. V. THANGKABALU: Will the Minister of FINANCE be pleased to state:

(a) whether France had requested for a bilateral agreement providing for mutual protection of investments; and

(b) if so, what are the details thereof and what is Government's reaction thereto?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b) During the Indo-French Joint Committee for Economic and Technical Cooperation Meeting held in January, 1989 the French side had proposed signing of a convention for mutual protection of investments which would favoured the growth of French investments in India. However, the Indian side had clarified that since India had a good track record in regard to servicing of foreign in-